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August 9, 2000

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Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

FILED²

AUG 09 2000

Missouri Public
Service Commission

RE: Case No. EO-2000-774

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of **STAFF'S SUGGESTIONS IN SUPPORT OF UNANIMOUS STIPULATION AND AGREEMENT**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Dennis L. Frey
Associate General Counsel
(573) 751-8700
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DLF:sw
Enclosure
cc: Counsel of Record

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

FILED²

AUG 09 2000

Missouri Public
Service Commission

In the Matter of the Application of Union Electric)
Company d/b/a AmerenUE and Intercounty)
Electric Cooperative Association for Approval of)
a Written Territorial Agreement Designating the)
Boundaries of Each Electric Service Supplier within)
Portions of Gasconade, Maries and Phelps Counties,)
in Missouri.)

Case No. EO-2000-774

**STAFF'S SUGGESTIONS IN SUPPORT OF
UNANIMOUS STIPULATION AND AGREEMENT**

COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission"), and for its Suggestions in Support of Unanimous Stipulation and Agreement, respectfully states as follows:

1. On May 24, 2000, Union Electric Company d/b/a AmerenUE ("AmerenUE") and Intercounty Electric Cooperative Association ("Intercounty"), hereinafter collectively referred to as "the Applicants," filed a Joint Application requesting Commission approval of a proposed Territorial Agreement between the two parties. On June 20, 2000, the Commission granted the Application to Intervene, filed on June 9, 2000 by the City of Rolla ("Rolla").

2. The Applicants, the Office of the Public Counsel ("Public Counsel"), Rolla, and the Staff (collectively, "the Parties") reached an agreement in this matter, and on August 8, 2000, filed a Unanimous Stipulation and Agreement ("Stipulation and Agreement") in settlement of all outstanding issues.

3. The Stipulation and Agreement is consistent with the Joint Application and Territorial Agreement as filed, except for some minor changes to AmerenUE's associated illustrative tariffs that were filed along with the Joint Application and Territorial Agreement. The changes, which resulted from Staff's review of the illustrative tariffs, and which are noted in

Paragraph 14 of the Stipulation and Agreement, correct minor errors in the affected sections of AmerenUE's service territory. The Staff has no objection to these changes.

4. Staff has reviewed the Joint Application and the boundaries established by the Territorial Agreement. The area covered by this agreement includes electric service territory of AmerenUE and area served by Intercounty. The proposed boundaries of the service area for each utility are crafted to allow each to utilize the existing facilities more efficiently. Moreover, both AmerenUE and Intercounty will each be better able to plan for future needs for the areas where the other is no longer providing new electric service. The Territorial Agreement will also serve to minimize duplication of electric facilities.

5. The Staff finds that AmerenUE and Intercounty have adequate electric facilities in their respective designated areas. Under the terms of the Territorial Agreement, and, as between the Applicants alone, AmerenUE will serve all new customers within its designated area; likewise, Intercounty will serve all new customers within its designated area. This will allow each utility to focus its resources in areas where it is better able to provide reliable electric service. No customers or facilities will be transferred; existing customers will remain with their present electric supplier.

6. The Staff supports this application and is of the opinion that approval of the Territorial Agreement is in the public interest.

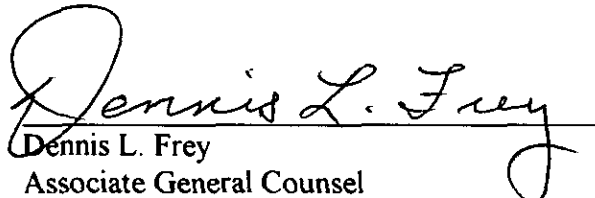
7. As noted earlier, the Territorial Agreement at issue in this case involves absolutely no exchange of either customers or facilities, and the Staff is of the opinion that the transaction will have no impact on customer rates in the future. Accordingly, the Stipulation and Agreement does not include language recommending that the Commission include in an order approving the Territorial Agreement, a statement indicating that the Commission reserves the

right to consider the rate-making treatment to be afforded this transaction in any future rate-making proceeding, including, but not limited to, the determination of customer credits under AmerenUE's Second Experimental Alternative Regulation Plan. Staff will, however, insist on such language in any future cases involving territorial agreements in which Staff believes there may be an impact on the determination of future rates and/or customer credits.

WHEREFORE, the Staff respectfully submits its Suggestions in Support of the Unanimous Stipulation and Agreement entered into by AmerenUE, Intercounty, Rolla, Staff and Public Counsel, and filed in the instant case on August 8, 2000.

Respectfully submitted,

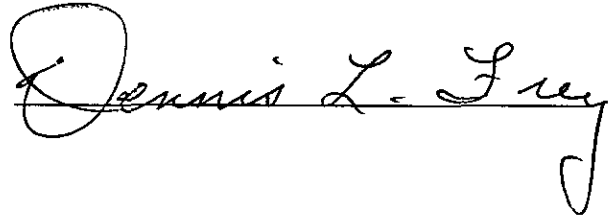
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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 9th day of August 2000.

A handwritten signature in cursive script, reading "Dennis L. Frey", is written over a horizontal line. The signature is fluid and extends slightly below the line.

**SERVICE LIST FOR
CASE NO: EO-2000-774
August 9, 2000**

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